# Chapter 16.—Local, Municipal, and Cantonment Funds.

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## Explanation.

**266.** A local fund is thus defined in the Civil Service Regulations: "Revenue derived from special sources and devoted to special objects, and not to the general purposes of the administration, whether Imperial or Provincial, forms a local fund." The transactions of local funds are not included in the public accounts.

NOTE.—No new fund should be created without a clear necessity and without the approval of the Government of India in the Finance Department.

**267** to **269.** Cancelled.

## Local Funds.

**270.** The transactions of all local funds of which the Local Government desires that there shall be a separate balance will be entered in separate columns in the treasury registers, which allow one column for every such fund in the district. Unless the funds are very few in number, it is most convenient to have registers and totals for municipal and cantonment funds separate from those of other funds.

**271.** The account of a local fund at the treasury is ordinarily a pure banking account, money being paid in and drawn out without specification of the nature of receipt or expenditure.

The Treasury Officer need only see that the voucher for payment is in proper form and signed by the proper officer and that the amount does not exceed the amount at credit of the banking account. In the case of some local funds, however, the procedure of paying in and drawing money is the same as in the case of Government accounts and the same forms of vouchers are used. In such cases the Treasury Officer should scrutinise and pass the vouchers in the same way as he does in respect of claims on Government and should also see that the amount demanded is at the credit of the fund.

1. If the charges of any local fund are drawn from the treasury on detailed bills the gross amount should be charged in the accounts, the deductions on account of income tax, fund subscription, etc., being credited by transfer in distinct entries. (*Vide* Chapter 18—Article 317, Note 2.)

2. Cheques may not be drawn on a Government treasury or on a branch bank used as a treasury for sums below ₹10.

**272.** In those cases in which local funds, other than municipal and cantonment funds, merely bank with the treasury and are not controlled by the account department, the transactions may be recorded in the form used for personal deposits, but must be kept quite distinct, and

must pass into the cash account as excluded local funds, and not as personal deposits.

1. Municipalities are ordinarily obliged to place their funds in a Government treasury or a bank or branch bank used as a Government treasury, if there is one in or near the municipality.

2. Service stamps may not be used by a local fund officer, or any Government officer acting in a capacity connected with a local fund, incorporated or excluded, such as President or Secretary of a Local Fund Committee, but service labels may be used on the correspondence of a public officer acting as such, even though the correspondence may relate to the affairs of a local fund. The term local fund as used in this rule is intended to include municipalities and other similar bodies or institutions.

3. Telegraphic messages, the charges for which are to be borne by local funds, should be classed as Private and not as State.

4. Cheques may not be drawn on a Government treasury or branch bank used as a treasury for sums below R10.

## Cantonment Funds.

**273.** The transactions of cantonment funds are accounted for in the same way as those of other local funds and an annual consolidated account, in duplicate, is submitted by the cantonment authorities to the Examiner or Inspector of Local Fund Accounts.

## Plus and Minus Memorandum.

**274.** A *plus* and *minus* memorandum should be appended to the monthly accounts showing for each local and municipal fund the balance at the beginning of the month, the amounts received and credited during the month, and those paid out during the month, and deducing the balance at the end of the month. In the case of local funds, which have a provincial balance only, the balance column should not be filled up.

## Verification of Balances.

**275.** At the end of the year the Treasury Officer should verify the balances at credit of each fund, in communication with the Accountant General on the one side, and the officer or committee administering the fund on the other. The balance on the Accountant General's books is the balance acknowledged by the Government, and the Treasury Officer should follow it, and not the local accounts, as his standard.

*Page 123, Article 277.—*

*Insert the following as Note 2 under Rule III (2) of this Article, the existing Note 2 being numbered as Note 3:—*

NOTE 2.—The Government of India are also empowered to sanction a temporary duty allowance for an appointment or an officer of the above class for any specified period when the remuneration of the appointment or of the officer is not thereby raised to an amount in excess of Rs. 800 a month, and up to two years when such remuneration is not thereby raised to an amount in excess of Rs. 50,000 a year (Rs. 4,166⅔ a month). When the remuneration exceeds Rs. 800 a month, and when the period is expected to last or does last for more than two years, the sanction of the Secretary of State, though not necessarily his previous sanction, is required. The grant of temporary duty allowances to officers deputed for plague duty is not subject to the above restrictions.

*Add the following to Rule III (3) :—*

NOTE 3.—Note 2 to Rule III (2) applies here also.

[*20th List—2-1-18.*]

*Page 123, Chapter 17—*

Article 277 as amended by the 2nd list of corrections dated 1st June 1913.

RULE 1.—For the expression "public revenues" in line 2 *substitute* 'general revenues,' and *insert* the following note under this rule—

"NOTE.—The expression 'General revenues' as used in these rules means Imperial and Provincial revenues as well as the revenues of local funds administered by Government."

Omit the expression "or from local funds administered by Government" in line 3 of Rule II.

*Page 123, Article 277.*

*Insert the following as Note 2 under Rule III (2) of this Article, the existing note being numbered 1 :—*

Note 2.—Audit Officers may admit in audit temporary excesses over the sanctioned scale occurring from time to time in the lowest grades of services wholly or partly recruited in England on a theoretical basis, *i.e.*, where the recruitment is based on an estimate of requirements and not on the number of actual vacancies to be filled.

*Insert the following note under Rule IV of this Article :—*

Note.—The Government of India may allow an officer holding an officiating appointment the salary he would be drawing in the regular line, when the duties of the appointment and other circumstances of the case warrant such treatment. Their powers in this respect are not subject to the limitations imposed on their general powers of increasing salaries by Rule III (2) and Note 1 thereunder, Rule III (3) (b) and Rule IV of this Article.

[*16th List—2-1-17.*]

*Page 123, Article 277, as amended by the Second List of Corrections, dated 1st June 1913—*

Rule III (4) (*a*)—*Convert* "full-stop" into a "comma" and *add* "except as provided for in Article 84A, and Note 2 to Article 85, Civil Service Regulations."

*6th list—1-8-14.*

*Page 123, Article 277—*

*Insert* the following as Note 1 under Rule III (1) of Article 277 as amended by the 2nd list of corrections, dated 1st June 1913, numbering the existing Note as Note 2 :—

"NOTE 1.—The Government of India are, however, empowered to sanction up to a limit of Rs. 500 in each case, petty expenditure to which there is no objection except that it comes under (*a*) or (*b*) of this rule."

*Page 123, Article 277—*

*Insert* the following as Sub-Clause (*iii*) to Clause (14) of Rule III of Article 277 :—

"(*iii*) (*a*) recurring, and (*b*) non-recurring assignments of amounts not exceeding Rs. 15,000 and Rs. 50,000 respectively, in each case which may arise."

*6th list—1-8-14.*

*Page 123, Article 277—*

Substitute the following for Article 277 III (11) as introduced by the 2nd list of corrections dated the 1st June 1913 :—

(11) To any expenditure on the erection or alteration or furnishing and equipment of a church, or compensation for sittings therein, or to any grant-in-aid towards the erection or alteration or furnishing and equipment of a church not wholly constructed out of public funds, in excess of the amount admissible under the rules in the Public Works Department Code.

*(12th List—3-1-16.)*

Page 123, Article 277—

*Substitute the following for the existing article:*—

**277.** I. An audit officer, before admitting in audit any charge against the public revenues which requires the sanction of the Secretary of State in Council, must satisfy himself that that sanction has been accorded either by general or by special order of the Secretary of State in Council. The cases in which the audit officer is to regard that sanction as necessary are stated in the following rules: for the admission of any charges which are not stated in these rules to require the sanction of the Secretary of State in Council, the authority of the Government of India, or, in classes of cases in which the Government of India have delegated their powers to Local Governments, of the Local Government, should be regarded as sufficient.

II. In these rules the word "remuneration" includes, besides monthly substantive pay or salary, all payments to officers from general revenues ~~or from local funds administered by Government~~, whether in the nature of fixed allowances, subject to the exceptions below, or of fees, rewards (except language rewards, other than those which take the form of monthly allowances) or recurring honoraria. It does not include the pension of an officer who is re-employed, or local allowances granted on account of the unhealthiness or expensiveness of particular localities (which will in future be known as "compensatory local allowances"), exchange compensation allowance, travelling or conveyance allowances, house-rent allowances or grant of free quarters, allowances to civil surgeons for charge of railway employés, office allowances, hill allowances governed by authorised hill allowance codes, and non-recurring honoraria. Subject to the limitations contained in these rules, and to any specific orders of the Secretary of State bearing on particular matters, the Government of India have full power to sanction the grant of allowances which are not included in the definition of remuneration: Provided that the sanction of the Secretary of State in Council is required to—

(*a*) the grant of exchange compensation allowance in any case in which it is not now admissible; and

(*b*) any modification of the broad principles on which the rules relating to the Calcutta, Bombay and Rangoon house allowance schemes are based, including the rates and the general conditions of eligibility laid down in them.

III. The sanction of the Secretary of State in Council is required—

(1) To any expenditure (except in cases in which authority is granted to the Government of India by this resolution) which is—

(*a*) of an unusual nature; or

(*b*) devoted to objects outside the ordinary work of administration; or

(*c*) likely to involve at a later date expenditure beyond the powers of sanction of the Government of India.

NOTE.—The purchase of a railway line by Government is a transaction involving expenditure of an unusual nature, and accordingly requires the sanction of the Secretary of State in Council.

(2) To the creation of any new permanent appointment, which would ordinarily be held by a gazetted civil officer recruited in England, and to the raising of the pay of such an appointment already in existence or of such an officer.

NOTE.—The word "pay" in this clause has the meaning assigned to it in Chapter II of the Civil Service Regulations. The Government of India are empowered to sanction local or other allowances for an appointment or an officer of the above class, provided that the remuneration of the appointment or officer is not thereby raised to an amount in excess of ₹750 a month.

(3) (*a*) To the creation of a permanent appointment, not of the class specified in III (2), of which the remuneration exceeds ₹800 a month.

(*b*) To the raising of the remuneration of an officer, or of a sanctioned permanent appointment, not of the class specified in III (2), to an amount in excess of ₹800 a month, or to the increase of a remuneration which is already in excess of that amount.

NOTE 1.—In the case of incremental pay, the test for the application of this rule is the maximum pay attainable. The grant of increased remuneration to an officer on incremental or a time scale of pay, the maximum of which rises to or exceeds ₹800 a month, on the condition that it should be continued only so long as it does not cause his total remuneration to exceed ₹800 a month, does not accordingly require the sanction of the Secretary of State.

NOTE 2.—Where the remuneration of an officer cannot equitably be fixed at a monthly rate because it would in consequence of its source be liable to fluctuation from month to month, the sanction of the Secretary of State is required to the grant of a remuneration in excess of ₹9,600 a year, instead of ₹800 a month.

(4) (*a*) To the placing of an officer on duty outside India.

(*b*) To the temporary appointment or deputation of an officer in India on a remuneration (inclusive of deputation allowance, if any) exceeding ₹50,000 a year (₹4,166⅔ a month), unless such officer has a lien on an appointment carrying a remuneration of equal or higher value fixed by statute.

(*c*) To a temporary appointment or the deputation of an officer in India on a remuneration (inclusive of deputation allowance, if any) exceeding ₹800, but not exceeding ₹4,166⅔ a month, when such appointment or deputation is expected to last, or does last, for more than two years. But in this case previous sanction is not required.

NOTE 1.—The sanction of the Secretary of State is not required to the creation of (*a*) temporary appointments or deputations connected with plague; and (*b*) temporary appointments for settlement work, subject as regards remuneration, to the rules contained in Appendix 4-A. of the Civil Service Regulations.

*Insert* the following as note under Rule III (6), the present note being numbered 2 :—

"NOTE 1.—For the purposes of this rule the cost of any particular revision is to be determined with reference to the definition of remuneration in Rule II."

*5th list, 1-4-14.*

NOTE 2.—The period for which a temporary appointment or deputation has been sanctioned by the Secretary of State may, if necessary, be extended without further reference to that authority, provided that such extension shall not exceed one month.

NOTE 3.—When the remuneration of an officer appointed to a temporary appointment or placed on deputation for a period of more than two years is increased beyond the limit of ₹800 a month laid down in this clause, by reason only of an increase of the pay or acting allowance of the officer holding it, the specific sanction of the Secretary of State will not be required to the continuance of the temporary appointment or deputation with increased remuneration until the expiry of the period originally sanctioned.

(5) To the approval to the grant to an officer from general revenues, or from a local fund, or from the revenues of a Native State, of an honorarium exceeding ₹1,000, for work which he is required to perform, either within or outside the course of his ordinary duties, when it is of such exceptional merit or of such an arduous or peculiar nature as to justify a special reward.

NOTE 1.—This rule applies to single payments only; a recurring honorarium or reward or fee requires the same sanction as an increase of remuneration. The fee paid to an educational officer selected as an examiner on purely personal grounds, irrespective of his position under Government, though these grounds may bring about his appointment in successive years, is not a recurring fee within the meaning of this rule.

NOTE 2.—Pensioned officers of Government rank as private persons in respect of the receipt of honoraria from general revenues, from local funds, or from the revenues of a Native State.

NOTE 3.—The Government of India can sanction the payment of bonuses to members of subordinate establishments of the Public Works Department, whether permanent or temporary, who are engaged on important works of construction, provided that the bonus and remuneration of any particular employé do not together exceed ₹9,600 a year.

(6) To revisions of permanent establishments which involve additional expenditure of more than ₹50,000 a year. In the case of establishments, such as process-serving establishments, the scale and remuneration of which are determined by Courts of Law under rules having the force of law, the sanction of the Secretary of State in Council is not required under this clause unless the net extra expenditure involved, after allowing for the receipt of fees, exceeds ₹50,000 a year.

NOTE 2.—For the purpose of determining the above limit of ₹50,000 a year the cost of any temporary establishment which the new scheme will replace should not be taken as a set-off.

(7) To all orders involving expenditure for which the Civil Service Regulations or other authorised code specially declare that the sanction of the Secretary of State in Council is necessary.

(8) To the grant of any pension or gratuity that is not admissible under the provisions of the Civil Service Regulations, the India Army Regulations, or any other authorised code, or under any general authority conferred on the Government of India by a despatch of the Secretary of State in Council, such as his despatches sanctioning the grant, subject to specified conditions and limits, of pensions in respect of services rendered during the Mutiny, compassionate gratuities to the families of Government servants left in indigent

*Article 277, page 123—*

Substitute the following for Article 277 III (9A) (as introduced by the 3rd list of corrections dated 30-9-13).

(9A) To the grant to a Civil officer who is in Government employ or in receipt of a service pension, of—

(a) Land, except where the grant is made under the ordinary revenue rules of the province concerned, and involves no special concession in money or its equivalent beyond the fact that the grantee has received the grant in preference to others; or

(b) An assignment of land revenue when the total amount exceeds Rs. 600 a year, or the assignment, if within the amount is not limited to three lives and reduced by one-half on each succession; or

(c) A political pension given in consideration of services not connected with the grantee's official position. The Government of India may, however, continue to an official, in whole or in part, an hereditary political pension granted for the benefit of the family generally.

[*9th list—1-7-15.*]

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*Page 123, Article 277 III (9A) (b).*

*Insert the following as a Note under this Article:—*

NOTE.—In cases mentioned in clauses (9), (9A) (*a*), and (9A) (*b*) other than those in which assignments of land revenue are treated as cash payments, a monthly return of all sanctions accorded by Local Governments should be submitted by them to their Audit officers. This return should contain the following details :—

(i) When the sanction is given under rule III (9) or sub-clause (*b*) of rule III (9A), the value of the land or the amount of land revenue. The leases or contracts entered into under the Statutory Rules referred to in rule III (9) should also be forwarded to the Audit officer.

(ii) When the sanction is given under clause (*a*) of rule III (9A), a statement that the grants have been made under the ordinary revenue rules of the Province and involve no special concessions.

[*16th List—2-1-17.*]

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*Page 123., Article 277—III (12) as amended by the second List of Corrections, dated the 1st June 1913.*

*Insert the following as note 2 under Rule III (12), the existing Note being numbered 1 :—*

Note 2.—This rule does not apply to charitable institutions which are educational in their scope and character.

[*16th List—2-1-17.*]

circumstances, pensions or gratuities to non-officials injured (or to the families of non-officials killed) during or in consequence of service rendered to the State, political pensions or gratuities, to non-officials and pensions or gratuities to non-officials who have rendered exceptional service to the Government.

NOTE 1.—The effect of the various orders quoted in this rule, so far as they relate to pensions and gratuities of non-officials and their families, is that the Government of India can sanction, without reference to the Secretary of State, the grant of reduced political life pensions to the heirs or other representatives of existing pensioners in accordance with the practice that has hitherto been followed; but that their power to sanction (1) new political life pensions or gratuities to non-officials or increases to existing political life pensions, (2) pensions or gratuities to non-officials who are injured (or to the families of non-officials who are killed) during or in consequence of service rendered to the State, and (3) other pensions or gratuities to non-officials who have rendered exceptional service to the Government, are limited to a pension not exceeding ₹1,000 a year, or a gratuity not exceeding ₹3,000 in any case.

NOTE 2.—The grant of a pension and a gratuity to the same individual requires the sanction of the Secretary of State.

(9) To the grant, on political considerations, of (*a*) land either free of revenue or on favourable terms, or (*b*) of assignments of land revenue, if the value of the land or land revenue exceeds ₹1,000 a year. Grants of either kind on other than political considerations are subject to the statutory rules published by the Government of India under the authority of the Secretary of State in their Finance and Commerce Department Resolution of the 20th February 1894, No. 933, and Finance Department Resolution of the 31st October 1910, No. 5751-Ex.

(9a)

(10) To any expenditure of a non-recurring type on behalf of political pensioners, such as grants towards the funeral expenses of deceased pensioners, the provision of marriage dowries for daughters, allowances to meet the expense of proceeding under orders of competent authority from one locality to another and expenditure on other than ordinary repairs (as for example the installation of electric lights and fans) in connection with the residences which pensioners are provided with in certain cases at the cost of the State, if the amount, in any case, exceeds ₹1,000.

(11) To any expenditure on the erection or alteration of a church, or grant-in-aid towards the erection or alteration of a church not wholly constructed out of public funds, in excess of the amount admissible under the rules in the Public Works Department Code.

(12) To any cash grant to a charitable or religious institution (not being a grant for a church under the Public Works Department Code), which exceeds ₹10,000 a year if recurring or ₹50,000 if non-recurring; and to any grant to a charitable or religious institution outside India.

NOTE.—Institutions designed for medical relief are included in the category of charitable institutions.

(13) To expenditure on State ceremonies and assemblies and on the entertainment, at the public charge, of distinguished visitors to India, when the outlay is estimated to exceed ₹1,00,000.

(14) To grants to Local Governments having regular Provincial settlements, other than the following:—

(*i*) non-recurring grants made—

(*a*) to restore Provincial balances to the prescribed minimum when they have been depleted owing to calamities such as famine or plague;

(*b*) to enable Provincial Governments to restore the normal scale of expenditure on civil works or other services, when it has been specially reduced in consequence of calamities such as famine or plague;

(*c*) towards defraying the cost of schemes (costing not more than 10 lakhs excluding, or 12½ lakhs including, provision for establishment, tools, and plant), when the expenditure would ordinarily be met by local bodies, though passed *pro formâ* through the Provincial accounts; and

(*d*) for Provincial objects of secondary importance, of which the cost is within the limits mentioned in (*c*);

(*ii*) compensatory assignments, whether recurring or non-recurring, made in connection with—

(*e*) erroneous credits of Provincial revenue in the Imperial section of the accounts;

(*f*) expenditure undertaken from Provincial revenues on behalf of the Imperial Government; and

(*g*) transfer of liabilities arising from changes in the method of classification of receipts or charges, or from other causes.

(15) To expenditure for the direct benefit of Native States which is estimated to exceed ₹10,000 a year on any one project, or ₹50,000 if non-recurring.

(16) To expenditure on providing any addition to the list of "the special saloon carriages reserved for the use of high officials," as approved in paragraph 3 of the despatch from the Secretary of State, No. 67 (Railway), dated 29th September 1911. The Government of India may sanction such expenditure as may from time to time be required (*a*) to complete and keep up to date one standard gauge and one metre gauge train for the use of His Excellency the Viceroy, and (*b*) to maintain and, when necessary, to replace any of the other carriages referred to in this rule.

(17) To expenditure in connection with the staff, household and contract allowance of His Excellency the Viceroy in excess of the limits laid down in the despatch from the Secretary of State, No. 55 (Financial), dated 17th May 1912. The Government of India have the power to make a non-recurring addition to the contract allowance, of an amount not exceeding ₹20,000 in any year when occasions such as the visit of a member of the Royal Family to India or the occurrence of a State assemblage of unusual importance throw exceptional expenditure upon the contract allowance: provided that all such grants shall be reported to the Secretary of State when made.

(18) To the increase of the contract grant of the head of a province.

(19) To the expenditure of public money: (*a*) on the purchase of a motor car for the use of an official, or (*b*) on the maintenance of such a motor car otherwise than from the contract grant of the head of the province, except as provided in the rules approved in the despatch from the Secretary of State, No. 67 (Financial), dated 7th June 1912.

NOTE.—The sanction of the Secretary of State is not required to any expenditure by the head of a province from his contract grant on the hire of motor cars for use in the discharge of his official or ceremonial duties.

(20) To the revision in any important respect of any existing provincial or *quasi*-provincial settlement.

IV. In applying these rules, audit officers may assume that all the provisions of the Civil Service Regulations, the India Army Regulations, the Public Works Department Code, the State Railway Codes, the Forest Code, and any other authorised code, have received the sanction of the Secretary of State in Council in all cases in which that sanction is necessary. They may, therefore, admit, without requiring the sanction of the Secretary of State in Council, any pensions, acting allowances, or other allowances which are admissible under the rules of those codes. Any allowances which are in excess of those admissible under those codes will require the sanction of the Secretary of State in Council if they come within the terms of Rule III above.

Rule V of the Resolution of the Government of India, Finance Department, No. 916-Ex., dated 4th March 1893.

V. Audit officers may also assume that any general sanctions issued before 1889 (such, for example, as the orders granting personal allowances to military officers in the police in some provinces, and the rules under which rewards are granted to officers for passing language examinations) had duly received the sanction of the Secretary of State in Council when that is necessary, although under the procedure in force up to that year the orders were communicated to audit officers on the authority of the Government of India only.

Rule VI of the Resolution of the Government of India, Finance Department, No. 916-Ex., dated 4th March 1893.

VI. The following rules refer to public works expenditure. They do not apply to military works for which special rules exist in the departmental regulations:—

(1) No outlay shall ordinarily be charged to loan funds without the sanction of the Secretary of State in Council; but this rule shall not apply to—

(*a*) irrigation projects of which the estimated cost does not exceed ₹10,00,000 excluding provision for establishment, tools and plant, or ₹12,50,000 inclusive of those charges;

(*b*) .....

(*c*) .....

NOTE.—The Government of India may not sanction any expenditure from loan funds on irrigation works . . . . in excess of the limits of the programme for such works which have been sanctioned for the year by the Secretary of State in Council: . . . . .

(2) The sanction of the Secretary of State in Council is required to any work charged to revenue (.....) of which the estimate of cost exceeds ₹16,00,000 when provision for establishment, tools, and plant is not included and ₹20,00,000 when it is included.

NOTE 1.—This rule does not apply to cases in which a work, though subsidised by a lump sum grant from Government, is undertaken by, and on the responsibility of, a local body.

NOTE 2.—Expenditure in connection with residences of His Excellency the Viceroy and staff is subject to the following further restrictions:—

(*a*) Original works and special repairs. The previous sanction of the Secretary of State in Council is required to any project estimated to cost more than ₹1,50,000 (works outlay). All sanctions accorded by the Government of India in excess of ₹2,500 and up to ₹1,50,000 shall be reported to the Secretary of State in Council.

(*b*) Furniture. The previous sanction of the Secretary of State in Council is necessary to any grant in excess of ₹42,000 in any one year for public works expenditure on the supply and repair of furniture.

(3) When the estimate for construction of a work either from loan funds or from revenue has been sanctioned by the Secretary of State in Council, the Government of India can ordinarily sanction outlay in excess of the original sanctioned estimate up to an amount of 10 per cent. in excess of the estimate, provided that the excess is not more than ₹12,50,000 including establishment, tools, and plant. In the case of estimates for new railway projects, however, the limits are 25 per cent. or ₹50,00,000 over the amounts reported to, and approved by, the Secretary of State in Council. But any excess over a revised estimate or completion estimate sanctioned by the Secretary of State in Council can be sanctioned only by him.

(4) For the purpose of determining whether the sanction of the Secretary of State in Council is necessary under clauses (1), (2) and (3) of this rule, a group of works, which forms one project shall be considered as one work and the necessity for obtaining sanction to a project is not avoided by reason

Article 277; Rule IX, page 123—

*Substitute the following for the existing Rule IX:—*

IX. The Auditor General, of his own motion or on reference being made to him by the Government of India, may review the audit decision of any subordinate Audit officer on any point, and may, if he considers it to be incorrect, overrule it.



The Auditor General may dispense with a reference to the Secretary of State, otherwise required by these rules, in certain cases where the expenditure involved has been small in itself or in comparison with the spending powers of the Government of India in directions of a similar character, and the failure to obtain the Secretary of State's sanction has involved a breach of the letter rather than the spirit of the Audit Resolution.

Despatch from the Secretary of State, No. 60-Financial, dated the 5th May 1914.

The Local Governments and certain other administrative authorities have certain powers in regard to the remission of disallowances by Audit officers so far as they affect payments made more than six months before the date when they were challenged; and more restricted powers of remitting disallowances of payments made within six months from the date of payment. The Government of India have power to remit in all cases of overpayment whether challenged within six months or not, on the understanding that remissions of overpayments challenged within six months are only granted when there are very strong reasons for making the concession.

Article 279-A., Civil Account Code.

Despatch from the Secretary of State, No. 51-Financial, dated the 22nd April 1910.

*Add the following new rule as Rule X:—*

X. Except as provided in Rule IX, any objection raised under these rules to any order issued by the Government of India will be reported to the Secretary of State for the required sanction.



Article 277; Rule IX, page 123—

*Substitute the following for the existing Rule IX:—*

IX. The Auditor General, of his own motion or on reference being made to him by the Government of India, may review the audit decision of any subordinate Audit officer on any point, and may, if he considers it to be incorrect, overrule it.

The Auditor General may dispense with a reference to the Secretary of State, otherwise required by these rules, in certain cases where the expenditure involved has been small in itself or in comparison with the spending powers of the Government of India in directions of a similar character, and the failure to obtain the Secretary of State's sanction has involved a breach of the letter rather than the spirit of the Audit Resolution.

Despatch from the Secretary of State, No. 60-Financial, dated the 5th May 1914.

The Local Governments and certain other administrative authorities have certain powers in regard to the remission of disallowances by Audit officers so far as they affect payments made more than six months before the date when they were challenged; and more restricted powers of remitting disallowances of payments made within six months from the date of payment. The Government of India have power to remit in all cases of overpayment whether challenged within six months or not, on the understanding that remissions of overpayments challenged within six months are only granted when there are very strong reasons for making the concession.

Article 279-A., Civil Account Code.

Despatch from the Secretary of State, No. 51-Financial, dated the 22nd April 1910.

*Add the following new rule as Rule X :—*

X. Except as provided in Rule IX, any objection raised under these rules to any order issued by the Government of India will be reported to the Secretary of State for the required sanction.

of the fact that the cost of each particular work in the project is within the powers of sanction of the Government of India.

NOTE.—The foregoing clause does not apply in the case of irrigation projects, the construction estimates of which have been closed and further capital outlay on which is being incurred under the rules for open capital expenditure. In the case of railways, proposals for expenditure contained in a completion estimate for any work, whether construction or open line, need not be grouped with any subsequent proposals for expenditure.

(5) .....

(6) .....

(7) The Government of India exercise full powers in regard to temporary non-pensionable appointments in the Public Works Department subject to a maximum limit of remuneration of ₹4,166⅔ a month for any individual appointment.

VII. .....

VIII. The sanction of the Secretary of State in Council is required to the grant of—

(1) a loan which is—

(*a*) of an unusual nature; or

(*b*) devoted to objects outside the ordinary work of administration; and

(2) a loan to a Native State in excess of ₹5 lakhs, or a series of separate loans granted at short intervals to an amount exceeding ₹5 lakhs.

NOTE 1.—In any case where a cash grant would be within the powers of sanction of the Government of India, the grant of a loan of an amount not exceeding that of the cash grant, does not require the sanction of the Secretary of State in Council.

NOTE. 2.—Loans and advances of the various classes described in Chapter 8 of the Civil Account Code, which have hitherto been sanctioned by the Government of India without reference to the Secretary of State, are not of an unusual nature within the meaning of clause (1) (*a*) of this rule.

IX. Any objection raised under these rules to any order issued by the Government of India will be reported to the Secretary of State for information if the objection is overruled by the Government of India, and for the required sanction if the objection is not overruled.

*Page 123, Article 277, as amended by the 2nd List of Corrections dated 1st June 1913—*

*Insert the following as a Note to Rule II of this Article :—*

NOTE.—A sanction to the terms of employment of a particular individual or of the creation of an appointment, accorded by the Secretary of State in the ordinary course of business and not implying, on the face of it or in the circumstances attending it, an intention to limit the Government of India in the future exercise of their ordinary powers, is not a specific order of the Secretary of State bearing on a particular matter within the meaning of this rule.

*(21st List—2-4-18.)*

*Page 123, Article 277 as revised by the second list of corrections dated the 1st June 1913 :—*

*Substitute the following for clause (b) of Rule II of this Article :—*

(b) any modification of the broad principles on which the rules relating to the Calcutta, Bombay and Rangoon house allowance schemes are based, including the rates and the general conditions of eligibility laid down in them, and the admission to the schemes of appointments whose creation required the Secretary of State's sanction subsequent to the introduction of the schemes or requires such sanction hereafter.

*Insert the following as Note 3 to Rule III (1) of this Article.*

NOTE 3.—The Government of India are authorised to sanction expenditure of a reasonable nature on amenities in connection with official residences for which rents are recovered.

*[17th List—1-4-17.]*

*Page 123—Article 277.*

*Insert the following note under clause (11) of Rule III of this Article :—*

NOTE.—The Government of India are, however, empowered to sanction expenditure on the erection or alteration of a church which is either in excess of the permissible limit or is not covered by the ecclesiastical rules, subject to a limit of Rs. 1,500 for any one church.

*For the word* "costing" *in* Rule III (14) *(i) (c) of this Article, substitute the words* "the share of which met from general revenues is."

*Insert the following as a new clause after Rule III (14) of this Article :—*

(14A) To recurring grants to local bodies exceeding Rs. 1 lakh a year in any one case.

*Insert the words* "chargeable to general revenues" *after the words* "estimate of cost" *in clause (2) of Rule VI of this Article.*

*15th list—1-11-16.*

*Page 123, Chapter 17.*

*Insert the following note at the beginning of this Chapter :—*

[NOTE—The rules in this chapter which relate to the powers of Local Governments and other authorities are to be read as superseded or revised by the Resolutions of the Government of India defining the powers of such authorities.]

*[16th List—2-1-17.]*

Page 123, Art, 277—

*Substitute the following for Rule III (9) of the rules as introduced by the 2nd list of corrections, dated the 1st June 1913 :—*

(9) To the grant to non-officials, on political considerations, of (*a*) land either free of revenue or on favourable terms ; or (*b*) of assignments of land revenue if the value of the land or land revenue exceeds ₹1,000 a year.

Grants of either kind on other than political considerations are subject to the statutory rules published by the Government of India under the authority of the Secretary of State in thier Finance and Commerce Department Resolution of the 20th February 1894, No. 933, and Finance Department Resolution of the 31st October 1910, No. 5751-Ex.

*(9A) To the grant to a civil officer, in addition to his ordinary service pension, of—*

(*a*) land, except where the grant is made under the ordinary revenue rules of the Province concerned, and involves no special concession in money or its equivalent beyond the fact that the grantee has received the grant in preference to others ; or

(*b*) an assignment of land revenue when the total amount exceeds ₹600 a year, or the assignment, if within that amount, is not limited to three lines and reduced by one-half on each succession.